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## COMMONWEALTH OF VIRGINIA

## STATE CORPORATION COMMISSION

AT RICHMOND, DECEMBER 15, 1999

APPLICATION OF

GTE SOUTH INCORPORATED CASE NO. PUC940010 (Southwest, Virginia)

Annual Informational Filing

## FINAL ORDER

On July 20, 1999, GTE South Incorporated (Southwest, Virginia) ("Southwest" or "the Company") filed its Motion to Declare Rates Not Subject to Refund and to Close Proceeding for the year 1993, covered in its Annual Informational Filing ("AIF"). As indicated in said Motion, the Company and the Staff of the Commission agreed that this proceeding should be closed without the requirement of refunds and further agreed that in doing so, the Company should not be deemed to have conceded or waived its rights to continue to object to decisions made by the Commission in the Company's final rate order, issued in Case No. PUC950019.1

By Order of August 9, 1999, the Commission prescribed notice and invited comments or requests for hearing concerning

<sup>&</sup>lt;sup>1</sup> The return on equity determined in the Second Supplemental Staff Report of December 9, 1998, reflects the Commission's finding regarding jurisdictional separations which is among the findings now under appeal to the Virginia Supreme Court in Record No. 991964. The other issues under appeal have no effect on the return on equity in the Second Supplemental Staff Report.

Southwest's motion, which were due on or before September 15, The deadline has passed, and the Commission has not received any comments in opposition to the motion or any requests for a hearing.

In the absence of any requests for hearing and pursuant to the agreement between the Company and Staff, the Commission finds that the Staff Report, Supplemental Staff Report, and Second Supplemental Staff Report, filed on August 16, 1995, November 29, 1995, and December 9, 1998, respectively, should be received into the record as evidence without the necessity of a hearing.

The only issue before the Commission is to determine whether Southwest earned in excess of its authorized range of return on equity for Potentially Competitive, Discretionary, and Basic services for the year 1993. The authorized range of return on equity prescribed by paragraph 18 of the Experimental Plan was 12% to 14%. The Second Supplemental Staff Report reflects an intrastate tariffed services' return on equity of 7.57%. Since that return is beneath the 14% limit of the Experimental Plan and has not been contested, the Commission finds that during 1993, Southwest earned less than the authorized maximum return on equity. Accordingly,

IT IS ORDERED:

 $<sup>^{2}</sup>$  The Experimental Plan was promulgated in the Final Order issued on December 15, 1988, in Case No. PUC880035.

- (1) Southwest's tariffed rates for the year 1993 are hereby made permanent for that year only. Such rates are no longer subject to refund as provided in paragraphs 19 and 20 of its Experimental Plan.
- (2) There being nothing further to come before the Commission, this matter is dismissed and the record developed herein shall be placed in the file for ended causes.